

*Office of the Inspector  
General*

**NSF Regional Grants Conference**

19-20 March 2007

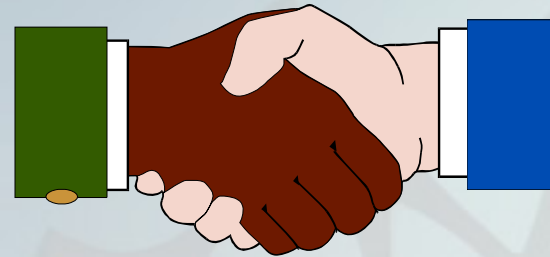
Oklahoma City

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# Working with NSF and the Community

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- We investigate allegations of:
  - fraud, waste, and abuse
  - research misconduct
  - violations of law, regulation, directive, or policy
- We conduct audits:
  - Financial
  - Performance
- We perform Outreach:
  - Presentations
  - Briefings
  - Informational brochures

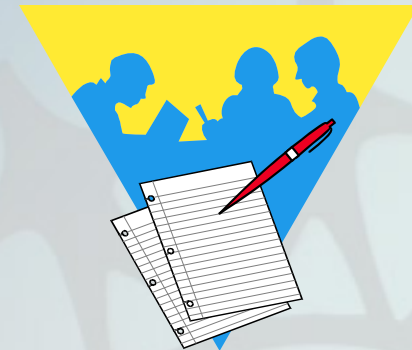


# To what do you certify\* with your proposal?

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- Compliance with award terms and conditions
- Accuracy and completeness of statements
- COI Policy
- Drug-Free Workplace
- Debarment and Suspension
- Lobbying (proposal >\$100,000)

**\*Providing False Information  
is a *criminal violation* of U.S.  
Code, Title 18, Section 1001.**



# How might we interact with each other?

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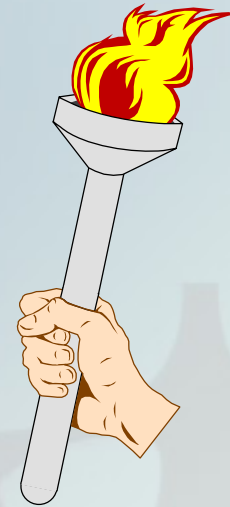
- Our door is always open
  - You may seek assistance to resolve issues / answer questions
  - You may report matters that are or may be improper
- We may call upon you to
  - Provide information as an advisor or expert
  - Participate in performance and financial audits or reviews
  - Participate in OIG's or awardee's inquiry or investigation
  - Participate in an Outreach seminar or training session

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# Guiding Principles of Investigations

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- Partnerships
- Confidentiality
- Focus on substantive issues
- Fair, accurate, and timely products
- Reliance on carefully documented evidence
- Prospective impacts



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# What do we do with allegations?



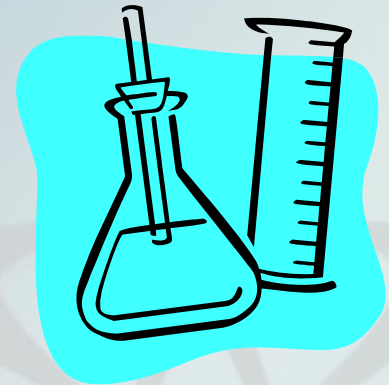
- Investigate criminal, civil, administrative allegations
- Refer to federal, state, local authorities; referral for audit
- Criminal or civil outcomes include:
  - Prosecutions or Settlement Agreements
    - Incarceration; Monetary Fines; Reimbursement; Compliance Agreements
- Administrative outcomes include:
  - Termination/Restriction on Awards; Certifications; Assurances; Debarments; Reprimands

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# NSF Regulation on Research Misconduct

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- Tracks OSTP's Federal policy on research misconduct
- Defines **F**abrication, **F**alsification, **P**lagiarism
  - violation of peer review
  - defines “research” and the “research record”
- Final Rule - 67 FR 11936 (March 18, 2002)
- NSF Misconduct Regulation - 45 CFR Part 689



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# Trends in Research Misconduct

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- Focus on
  - Number of allegations and findings
    - Plagiarism, and software detection
    - Fabrication, Falsification
  - Questionable research practices
    - Erosion of research enterprise
  - Effective training in responsible conduct of research (including financial management)
  - International collaborations
    - Training
    - Allegations

The NSF logo is a large, faint watermark in the bottom right corner of the slide. It features a stylized gear or network-like structure with the letters "NSF" prominently displayed in the center.

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# Common Civil/Criminal Issues

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- Embezzlement/Theft • 18 USC §§ 641, 666
- Fraud • 18 USC §§ 1030, 1341, 1343
- False Statements/Claims • 18 USC §§ 287, 1001
- Conflict of Interests • 18 USC §§ 207, 208, 209
- Obstruction of Justice • 18 USC §§ 1505, 1510, 1515, 1516
- Civil False Claims (treble damages) • 31 USC § 3729

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# Trends in Civil / Criminal Investigations

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- Handling Program Income
  - Workshops and Conference
  - Research Grants
- Managing Participant Support Costs
  - Documentation
  - Reallocation
- Contributing Cost Sharing
  - Documentation
  - Certifications
- Documenting Time and Effort

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# Keys to Success



- Effective compliance programs
  - Risk assessment
  - Leadership, management, training, enforcement, reporting
- Effective grant management skills
  - Know requirements (award letter and manuals)
  - Focus on research objectives
  - Good accounting practices—sufficient support documents
  - Document approvals and conversations between awardee and NSF program and grant officials
- Ask if you have questions

# Audit Efforts

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- Financial audits
- Performance audits



# Audit Findings & Resolution

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- Common areas for audit findings
  - Costs
  - Award administration
  - Subrecipient monitoring
  - Cost sharing



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# Costs Determinations

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- Allowable, reasonable, allocable, documented, consistent treatment of costs
- Unsupported expenditures
  - Reimbursements not documented (invoices, etc.)
  - Time and effort not timely, not signed/certified
- Unallowable expenditures
  - Direct charges for costs in the indirect pool
  - Overload salary (unless NSF-approved)
  - Meals, alcohol



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# Award Administration

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- Financial Management System
  - Have procedures for determining allowability of costs
  - Obtain approvals
  - Compare budget to actual expenditures
- Document participant support per award
- Ensure accuracy and timeliness of reporting and notifications
- Maintain equipment inventory

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# Subrecipient Monitoring

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- Responsible for program and financial oversight
- Ensure award terms/Federal requirements are followed
- Assess and monitor subrecipient's capability
  - Reporting, site visits
  - A-133 audits
- Ensure timely and appropriate corrective action

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# Cost sharing

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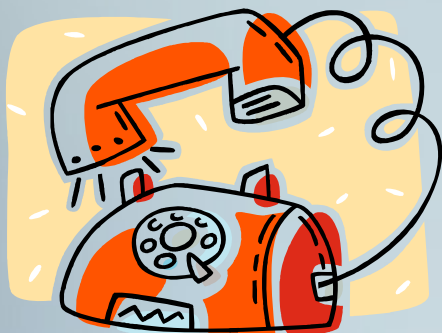
- No Federal funds
- Track cost sharing per award (no duplication)
- Documented and certified (AOR >\$500,000)
  - Valuation at actual/fair market value
  - Report annual and cumulative amounts
  - Both awardee and subawardee cost sharing

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# When should you contact us?

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- Report allegations of wrongdoing
  - Research misconduct
  - Financial fraud, theft from NSF or NSF-funded activities
  - Violation of research related regulations, directives, or policy
- Report significant administrative or financial problems
- Request an Outreach event or training session



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# OIG Outreach

- Presentations, Seminars, and On-Site Visits
  - For students, PIs, and administrators
  - Emphasize education, partnerships, and lessons learned
  - Assistance with matters relating to Investigations /Audits and NSF activities
- Website: [http://www.nsf.gov/oig/outreach\\_all.jsp](http://www.nsf.gov/oig/outreach_all.jsp)
  - Brochures
  - Conference Presentations
  - Briefings
  - Fact sheets

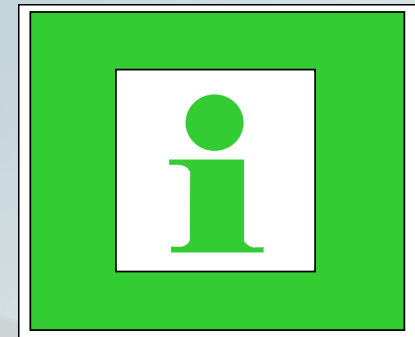


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# How can I contact OIG?

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- Internet: <http://www.nsf.gov/oig/>
- E-mail: [oig@nsf.gov](mailto:oig@nsf.gov)
- Snail Mail:  
4201 Wilson Blvd., Arlington, VA 22230
- Phone: 703-292-7100
- Hotline: 1-800-428-2189



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